

Adopted 6/27/06

**TECHNOLOGY ZONE IMPLEMENTATION POLICY
June 2006**

The Bedford County Board of Supervisors adopted the Bedford County Technology Zone Ordinance on October 12, 2004. As stated in the Ordinance, the applicable tax categories available for rebate under this Ordinance are Machinery and Tools tax and Business Furniture and Fixtures tax. **In no case is real estate tax eligible for tax abatement.**

Definition of a Technology Company - A qualified technology business is one engaged in the activities of research, development, or manufacture of commodities used in biotechnology, computer hardware or software, electronics, telecommunications, systems integration, testing and measurements, e-commerce, factory automation, internet services, subassemblies and components, medical and pharmaceutical products, photonics, advanced materials, architecture and engineering, defense, energy, and transportation. While there may be other business categories that could be interpreted as technology businesses, the determination will be based upon the nature of the work and/or research involved. In no case will the use of computers or telecommunication devices or services used by a firm in its internal operations qualify the business as a technology business according to the guidelines herein.

I. Determination of Eligibility

A. Company shall request consideration based upon the definition of a "Qualified Technology Business"

B. Administrator shall recommend approval of application to Economic Development Authority (EDA).

C. Administrator shall determine which tier is applicable, based upon the information provided in the application

II. Technology Zone Incentive Tiers

There are three stated tiers defined in the Ordinance, as follows:

- a. Tier No. 1 - \$500,000 minimum capital investment and 25 jobs
- b. Tier No. 2 - \$50,000 minimum capital investment and 5 jobs
- c. Tier No. 3 - \$25,000 capital investment and 3 jobs

III. Determination of Tax Abatement Structure

A. Administrator shall recommend to EDA an amount of tax abatement, according to the following tiered structure, as defined in the Ordinance:

1) Tier #1

Category A – company with payroll in excess of \$15/hr or \$35,000/yr avg.

- 70% rebate at end of 1st full tax year
- 60% rebate at end of 2nd full tax year
- 50% rebate at end of 3rd full tax year
- 40% rebate at end of 4th full tax year
- 30% rebate at end of 5th full tax year
- 20% rebate at end of 6th full tax year

Category B - company with payroll that is less than above

- 60% rebate at end of 1st and 2nd full tax years
- 40% rebate at end of 3rd and 4th full tax years
- 20% rebate at end of 5th full tax year

2) Tier #2

Category A – company with payroll in excess \$15/hr or \$35,000/yr avg.

- 60% rebate at end of 1st full tax year
- 50% rebate at end of 2nd full tax year
- 40% rebate at end of 3rd full tax year
- 30% rebate at end of 4th full tax year
- 20% rebate at end of 5th full tax year

Category B - company with payroll that is less than above

- 50% rebate at end of 1st and 2nd full tax years
- 30% rebate at end of 3rd and 4th full tax years
- 20% rebate at end of 5th full tax year

3) Tier #3

- 40% rebate at end of 1st and 2nd full tax years
- 20% rebate at end of 3rd, 4th, and 5th full tax years

IV. Refund Procedure

A. At the time a Determination of Eligibility is approved, the Bedford County Commissioner of the Revenue shall be informed in writing and provided with documentation of the level of rebate that shall apply.

B. All appropriate taxes shall be assessed and collected by the Bedford County Commissioner of Revenue at the time they are due and payable.

C. Within six months of the date the taxes are paid for one full tax year, a rebate check will be processed and returned to the qualifying company. In no case will the rebate be paid if the company is delinquent in any tax or fee due to Bedford County.



BEDFORD COUNTY TECHNOLOGY ZONE ORDINANCE

ARTICLE VII. BEDFORD COUNTY TECHNOLOGY ZONE

Sec. 2-81. Short title.

This article shall be known and may be cited as the "Bedford County Technology Zone Ordinance."

Sec. 2-82. Statement of purpose.

The County of Bedford finds that the development of its commercial and industrial tax base requires incentives. The Virginia Technology Zones Act, § 58.1-3850 et seq., of the Code of Virginia, as amended, authorizes the establishment of one or more technology zones by ordinance. It is the purpose of the Technology Zone Act, and of this article, to stimulate business and industrial growth within the area so designated as the Bedford County Technology Zone by means of local incentives more particularly set forth herein.

Sec. 2-83. Administration.

The technology zone administrator shall be the county administrator or his designee. The county administrator shall determine and publish the procedures for obtaining the benefits created by this chapter and for the administration of this chapter.

Sec. 2-84. Definitions.

As used in this article, the following definitions shall apply:

Qualified Technology Business. A qualified technology business is one engaged in the activities of research, development, or manufacture of commodities used in biotechnology, computer hardware or software, electronics, telecommunications, systems integration, testing and measurements, e-commerce, factory automation, internet services, subassemblies and components, medical and pharmaceutical products, photonics, advanced materials, architecture and engineering, defense, energy, and transportation. While there may be other business categories that could be interpreted as technology businesses, the determination will be based upon the nature of the work and/or research involved. In no case will the use of computers or telecommunication devices or services used by a firm in its internal operations qualify the business as a technology business according to the guidelines herein.

Existing business. A business firm that was actively engaged in the conduct of trade or business in an area prior to such an area being designated as a technology zone or that was engaged in the conduct of trade or business in the Commonwealth and relocates to begin operation of a trade or business within the technology zone and whose primary operation is listed in this section.

New business. A business not previously conducted in the Commonwealth that begins operation in an technology zone after the zone was designated. A new business is also one created by the establishment of a new facility and new permanent full-time employment by an existing business

firm in a technology zone and does not result in a net loss of permanent full-time employment outside the zone and whose primary operation is listed in this section.

Technology Zone. The area as defined herein and declared by the board of supervisors of Bedford County, Virginia to be eligible for the benefits accruing under the Virginia Technology Zone Act, § 58.1-3850 et seq.

Sec. 2-85. Boundaries of the Bedford County Technology Zone.

The boundaries of the Bedford County Technology Zone are set forth on the map entitled, "Bedford County Technology Zone," which is on file in the office of the county administrator of the County of Bedford, Virginia, the area of which has been declared an technology zone by the board of supervisors of the County of Bedford, Virginia in accordance with the Virginia Technology Zone Act.

Sec. 2-86. Technology Zone Incentive Package.

A. Recognizing that there are many variations of technology companies, there is established, three tiers of technology companies:

- 1) Tier No. 1-\$500,000 capital investment and 25 jobs
- 2) Tier No. 2-\$50,000 capital investment and 5 jobs
- 3) Tier No. 3-\$25,000 capital investment and 3 jobs

Recognizing that the nature of technology business is ever changing and that a technology ordinance lacks the necessary flexibility to address changes, the County Administrator or his designee, is authorized to develop rules and regulations to carry forth the intention of this ordinance as the same relates to the nature of incentive packages, especially as the same relates to the tiers of capital investment and job creation, the amount of growth potential of the business and other factors as the County Administrator deems necessary.

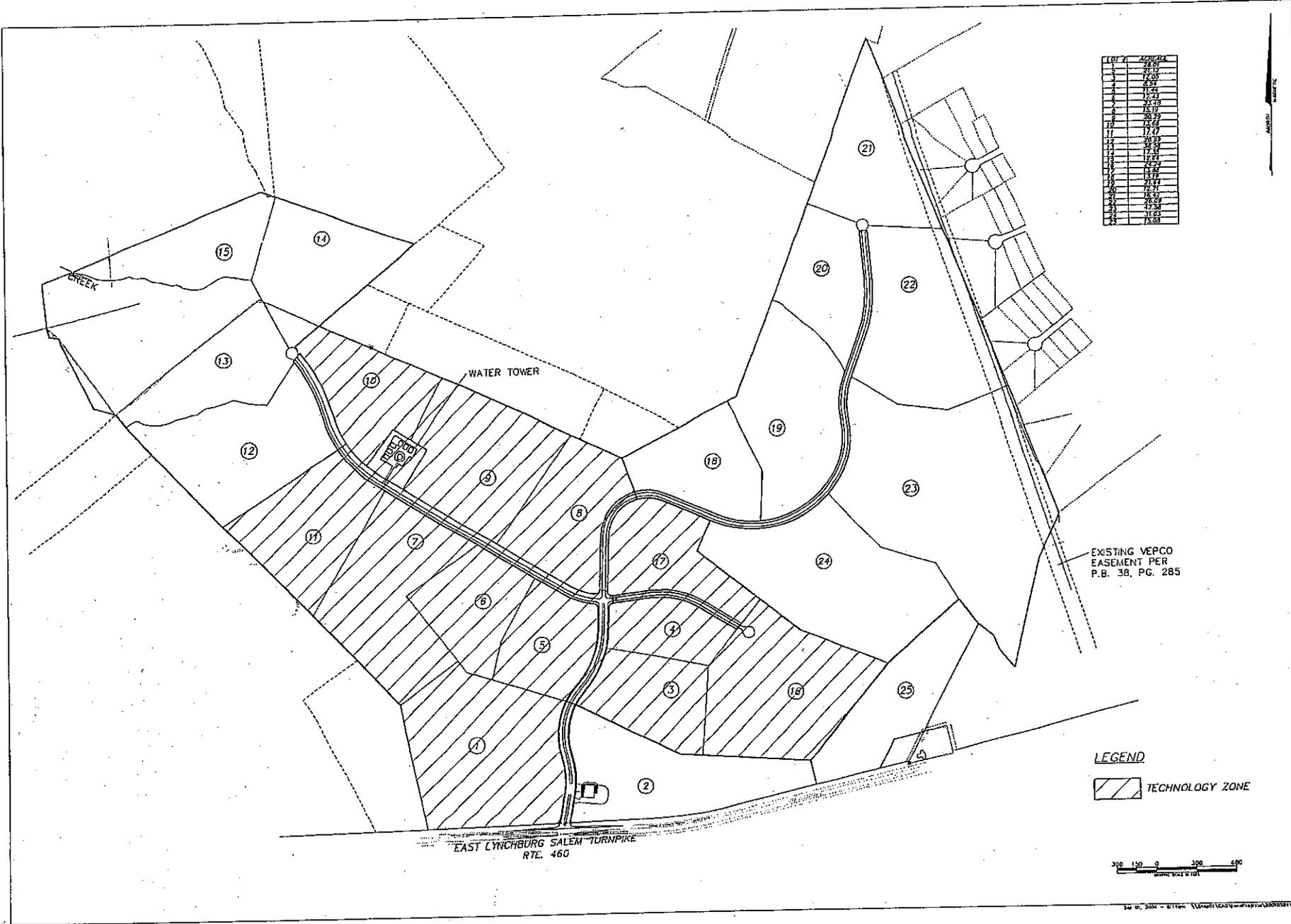
B. Technology zone incentives may be offered as a one-time up front contribution towards the development costs associated with a project, or may be provided as a reimbursement or rebate, depending upon the nature and scope of the development. A qualified technology company may be eligible to receive one or all of the following:

- (1) A discount, based upon the level of employment and investment generated by the business, of up to one hundred (100) percent of the following:
 - a. Purchase price of the land within the technology zone, where applicable;
 - b. Cost of water connection fees;
 - c. Cost of sanitary sewer connection fees.
- (2) A discount on fees associated with new construction, including but not limited to building permit, plan review, and land disturbance fees, of up to one hundred (100) percent based upon and in accordance with the scope of the project.
- (3) A site preparation and/or infrastructure improvement grant, based upon the nature and scope of the project.
- (4) A one-time local job training grant for up to five hundred dollars (\$500.00) per employee, for a qualified technology business which is ineligible for the Virginia Workforce Services training grant program; the grant is provided only for new, full-time permanent positions created within the technology zone.

- C. A qualified technology business shall be eligible for the following reduction in taxes:
- (1) Machinery and Tools Tax
 - a. 60% - 70% for the first two (2) years
 - b. 40% - 50% for the next two (2) years
 - c. 20% - 30% for the final year (or two years, if applicable)
 - (2) Business Furniture & Fixtures Personal Property Tax
 - a. 60% - 70% for the first two (2) years
 - b. 40% - 50% for the next two (2) years
 - c. 20% - 30% for the final year (or two years, if applicable)
- D. All business firms shall be eligible for building permit fees rebate and public service authority fee rebate, which locate within the boundaries of the technology zone as herein defined.
- E. The incentive package shall apply for a maximum of six years or until such time that the business no longer operates as a qualified technology business. The actual length shall be set forth in the performance agreement between the qualified technology business and the County.

Sec. 2-87. Eligibility requirements.

- (a) The proposed business use must be consistent and in compliance with the planned industrial development district (PID) zoning and the restrictive covenants and conditions of the New London Technology Park.
- (b) A technology business must be, at the time of application, current in all local, state and federal taxes and appropriate user fees, to which the business shall certify to the administrator upon application and annually thereafter.



LOT #	ACRES
1	28.07
2	17.77
3	12.25
4	11.55
5	12.25
6	12.25
7	28.07
8	28.07
9	17.77
10	17.77
11	17.77
12	17.77
13	17.77
14	17.77
15	17.77
16	17.77
17	17.77
18	17.77
19	17.77
20	17.77
21	17.77
22	17.77
23	17.77
24	17.77
25	17.77
TOTAL	17.08

AS NOTED
SCALE 1" = 100'

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TECHNOLOGY ZONE MAP
 FOR
NEW LONDON BUSINESS AND TECHNOLOGY CENTER
 BEDFORD CO., VIRGINIA

PROJECT NO. 20010584
 G.L. NO. 2037-A2-2
 PL. ENO.
 DATE 02/11/04
 DRAWN BY: HRC
 CHECKED BY: WMI

LEGEND
 TECHNOLOGY ZONE



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SHEET NO.
1 OF 1